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SUBJECT: HOPE GROWS FOR A NEGOTIATED SOLUTION TO OAXACA
CRISIS

REF: MEXICO 5567

11. (SBU) Summary: Recent developments in the Oaxaca crisis point toward a possible easing of tensions and an eventual political solution that would result in the return of law enforcement to the state, an increase in teachers' salaries, and the resumption of public school classes. A Senate committee has agreed to pursue a process that could conceivably lead to the dismissal of Oaxaca governor Ulises Ruiz, taking some of the steam away from the state teachers' union and Oaxaca People's Popular Assembly (APPO). However, timing is vague and even if the committee recommends the dissolution of the governor's powers there is no assurance the full Senate would vote to remove him. In Mexico City, thousands of Oaxacan protesters who arrived by foot on October 9 have so far conducted a largely peaceful protest directed at the Secretariat of Government and Senate. End summary.

12. (SBU) On October 9, Secretary of Government Carlos Abascal met with Oaxacan protest and state government leaders in the eighth round of mediation efforts, announcing afterwards that a tentative agreement had been reached regarding the return of law enforcement to Oaxaca City. Although the protest movement's diffuse leadership rejected the deployment of Federal Preventive Police (PFP) to Oaxaca City, it appeared open to lifting the blockades and ceding control of the city to municipal and state police officers under the direction of the Secretary of Government. Under the agreement, state authorities would also release several jailed protesters, withdraw arrest warrants for others, remove certain security officials from office, implement a series of political reforms, and raise teachers' salaries over time. The protest leaders are scheduled to meet with their respective constituents in Oaxaca this week to decide whether to accept the proposal and consider returning striking teachers to class, perhaps starting next week.

13. (SBU) On October 10, Senate Interior Committee members from the three major political parties met with APPO leaders and agreed to send a delegation to Oaxaca to examine whether the state government has lost its ability to govern. The committee would technically be able to recommend dissolving the governor's powers. However, a committee staff member told Poloff that no date has been set for the delegation's trip or the length of time it would take to issue the opinion needed for the full Senate's consideration. In order to remove Ruiz, the Senate will need to vote with a two-thirds majority. Currently, the PRI faction is backing Ruiz, the PRD is calling for his ouster, and the PAN appears divided on the issue and could represent a swing vote. In response to

the committee's decision to examine governability in Oaxaca, Ulises Ruiz announced he would no longer participate in talks with the Secretary of Government.

14. (SBU) Comment: For the first time in the nearly five month-old Oaxaca conflict, there is hope for a negotiated solution, although we are not there yet. The Senate committee decision to consider whether there are grounds for removing the Oaxaca governor strengthens Abascal's hand, although his latest proposal could stumble without greater assurance that Ruiz actually will be ousted. The federal government may well be biding its time, trying to energize the negotiations without forcing Ruiz's removal before his two year mark in office (Note: If removed before December 1, state elections would be called, an outcome the PRI would strongly resist, as they could open the door to the election of a PRD governor. If Ruiz is removed after December 1, the Congress would appoint his successor and a deal could be struck assuring the appointment of a PRIista. End note). The protest leaders can be expected to offer a counterproposal in the coming days that will continue to demand Ruiz's removal, and the process will likely inch slowly forward as the Senate considers its next steps. It is a hopeful sign that the teachers' union and APPO leaders are pursuing the governor's removal through institutional means and that the Mexico City protests have been largely peaceful. However, if the protesters lose hope that the Senate will remove Ruiz, they are likely to pursue more aggressive tactics, in which case pressure on the federal government to intervene with force will quickly mount.

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